

California Gambling Control Commission  
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2399 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833  
Wednesday, January 12, 2005

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## **MINUTES OF JANUARY 12, 2005**

### **COMMISSION MEETING**

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#### **OPEN SESSION**

Chairman Shelton called the meeting of January 12, 2005, to order at 1:32 p.m., with Commissioners Sasaki, Smith, and Williams present.

Staff Participating: John Spittler, Commission Counsel and Acting Deputy Director, Licensing Division, Gary Qualset, Deputy Director, Compliance Division, Herb Bolz, Senior Legal Counsel and Regulations Coordinator, Legal Division, and Heather Hoganson, Commission Counsel, Legal Division.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission adopted the December 1, 2004, Commission meeting minutes.

#### **DECISION ITEMS**

1. Application for Work Permit:
  - a. Gold Rush Gaming Parlor:  
Lewis, Rodney

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Rodney Lewis, Item 1.a. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for a work permit for Rodney Lewis, Item 1.a.

2. Application for Key Employee License:

- a. Phoenix Casino and Lounge:  
Sands, Steven

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Steven Sands, Item 2.a. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for a key employee for Steven Sands, Item 2.a.

3. Application for Key Employee License – Request for Withdrawal:

- a. Hustler Casino:  
Delaney, James

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for withdrawal of the application for a key employee license for James Delaney, Item 3.a. Commissioner Sasaki moved to approve without prejudice the request for withdrawal of the application for a key employee license for James Delaney. Commissioner Smith seconded the motion, which carried unanimously in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved without prejudice the request for withdrawal of the application for a key employee license for James Delaney, Item 3.a.

4. Request for Additional Authorized Tables:

- a. Capitol Casino: Capitol Casino, a Corporation

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the request from Capitol Casino to increase the establishment's gambling tables by one, thereby increasing the total number of authorized tables from seven to eight. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved the request of Capitol Casino, Item 4.a., to add one additional table for a total of eight tables authorized under the license.

5. Applications for Renewal of State Gambling License:

- a. Bay 101: Sutter's Place Incorporated, Corporation
- b. Limelight Card Room (Formerly Big Tomato Card Room): Peter

Mikacich, Sole Proprietor

- c. Oaks Card Club: John Tibbetts, Nora Tibbetts, Dawn Potter, Michael Fink, and Mary Tibbetts, Limited Partnership

Acting Deputy Director Spittler indicated that the Division of Gambling Control recommends approval of the application for renewal of a state gambling license for Sutter's Place Inc., d.b.a. Bay 101, Item 5.a. Acting Deputy Director Spittler further indicated that staff also recommends approval of the application for renewal of a state gambling license for Sutter's Place inc., d.b.a. Bay 101 with the following condition:

*All key employees (including Stanley Sieff) currently endorsed on the State Gambling License are conditionally licensed pending the completion of the City of San Jose's pending background investigation and approved thereof.*

Commissioner Smith stated he had concerns with the key employee functions for Ronald E. Werner, indicating that the state license should have the same restrictions/conditions placed on the license as the San Jose Police Department placed on the local license. Commissioner Smith moved to approve the application for renewal of a state gambling license for Sutter's Place Inc., d.b.a. Bay 101, Item 5.a. with the first condition on the local license from the San Jose Police Department being placed on the state gambling license as follows:

*The stockowner/key employee's license shall be position and location specific. As such, Mr. Werner shall be licensed as the Stockowner/General Manager and to carry out only the function of a General Manager at Sutter's Place, d.b.a. Bay 101 Casino.*

The motion was seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for renewal of a conditional state gambling license for Sutter's Place Inc., d.b.a. Bay 101, Item 5.a.

Acting Deputy Director Spittler indicated that the Limelight Card Room, Item 5.b., previously issued a temporary license, was being recommended by both the Division of Gambling Control and Commission staff for approval of the application for renewal of the state gambling license for the remaining term of the license from January 1, 2005 through August 31, 2005. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for

renewal of a state gambling license through August 31, 2005 for the Limelight Card Room, Item 5.b.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Oaks Card Club, Item 5.c. under either staff recommendation Option A or staff recommendation Option B, which he presented to the Commission as follows:

Option A: Staff recommends the Commission approve a state gambling license to the owners of Oaks Card Club valid from February 1, 2005 and expiring on January 31, 2006 (12 months) based on the following conditions.

Option B: Staff recommends the Commission approve a state gambling license to the owners of the Oaks Card Club issued on February 1, 2004 and expiring on December 31, 2005 with condition number two (2) only.

Chairman Shelton moved to adopt staff recommendation Option A, Commissioner Smith seconded the motion.

Acting Deputy Director Spittler indicated that staff recommends that the following two conditions be applied to the license under approval of the staff recommendation Option A.

1. *Licensee must pay the annual table fees pursuant to Business and Profession Code Section 19876(a) and will not operate from January 1, 2006 unless fees in the amount of \$10,667 are paid no later than December 1, 2005.*
2. *Licensee must advise the Commission within 30 days of issuance of the State Gambling License of the status of shares owned by the recently deceased Nora Tibbetts.*

Chairman Shelton amended his motion to adopt the staff recommendation Option A, including the two conditions as indicated by Acting Deputy Director Spittler. Commissioner Smith, in concurrence, amended his second to the motion. The amended motion unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for renewal of a state gambling license under the terms specified in the staff recommendation Option A with inclusion of the two conditions for Oaks Card Club, Item

5.c.

6. Application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability:

- a. AGI Distribution, Inc.: Floyd W. Glission, Reed M. Alewel, Patrick W. Cavanaugh, a Nevada Corporation
  - i. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino
  - ii. San Manuel Band of Serrano Mission Indians of the San Manuel Reservation – San Manuel Casino
  - iii. Soboba Band of Luiseno Indians- Soboba Casino
  - iv. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort
  - v. Table Mountain Rancheria of California – Table Mountain Casino
  - vi. Tule River Indian Tribe of the Tule River Reservation – Eagle Mountain Casino
- b. Venture Catalyst, Inc.: Lloyd Speer, Kevin McIntosh, William Shay, Andrew B. Laub, Javier McKeag, Cornelius E. Smyth, and John M. Farrington, a Utah Corporation:
  - i. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Gaming Resource Supplier for AGI Distribution, Inc., Item 6.a. Upon motion of Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Gaming Resource Supplier for AGI Distribution, Inc., Item 6.a.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Venture Catalyst, Inc., Item 6.b.

Chairman Shelton moved to approve the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Gaming Resource Supplier for Venture

Catalyst, Inc., Item 6.b. Commissioner Sasaki seconded the motion.

Commissioner Smith indicated that he was excluding himself from participating in the Commission's consideration of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Item 6.b.

The motion made by Chairman Shelton and seconded by Commissioner Sasaki carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the Commission approved the Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Venture Catalyst, Inc., Item 6.b.

7. Resolution Concerning Delegation of Authority under Title 4, California Code of Regulations, Sections 12402, 12403, and 12405.

Deputy Director Qualset presented the staff recommendation that the Commission adopt the Resolution Concerning Delegation of Authority under Title 4, California Code of Regulations, Section 12402, 12403, and 12405. Deputy Director Qualset indicated that the proposed resolution grants the Executive Director or the Deputy Director of the Compliance Division, the authority to act on behalf of the Commission in fulfilling the duties and obligations under the regulation: Accounting and Financial Reporting. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission adopted the Resolution Concerning Delegation of Authority Title 4, California Code of Regulations, Sections 12402, 12403, and 12405. A copy of the Resolution Concerning Delegation of Authority and Title 4, California Code of Regulations, Division 18, Chapter 7, Article 4, Accounting and Financial Reporting, are incorporated into the minutes as Attachment A and Attachment B, respectively.

8. Staff Reports:

- a. Proposition Player/Gambling Business Regulations.
- b. Discussion of Topics of Regulation for 2005.

Senior Legal Counsel Bolz presented an oral report concerning the permanent Proposition Player/Gambling Business Regulations. Mr. Bolz indicated that the permanent regulations went into effect on December 20, 2004, and some of the changes made during the rulemaking process include: 1) a lower annual fee, 2) change from a graduated fee to a flat fee, and 3) a phased-in annual fee. Mr. Bolz further indicated that staff anticipates two rulemaking efforts in 2005 concerning the regulations for the purpose of making some clean-up changes to the regulation and for possible amendments to the contract renewal portion of the regulation. The Commission took no action on Item 8.a. A copy of the regulations: Third-Party

Providers of Proposition Player Services: Registration; Licensing, and Gambling Businesses: Registration; Licensing, are incorporated into the minutes as Attachment C and Attachment D, respectively.

Commission Counsel Hoganson presented to the Commission topics of regulation for the Commission's 2005 Rulemaking Calendar to be submitted to the Office of Administrative Law. Mrs. Hoganson indicated that staff would compile a formal 2005 Rulemaking Calendar based on the priorities indicated by the Commission, affected industry, and the public. The formal 2005 Rulemaking Calendar would be presented to the Commission at the next Commission Meeting and subsequently submitted to the Office of Administrative Law. The Commission took no action on Item 8.b. A copy of Topics for Regulation in 2005 is incorporated into the minutes as Attachment E.

#### **CONSENT CALENDAR ITEMS:**

1. Applications for Tribal-State Compact Key Employee Finding of Suitability:
  - a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:

|                  |              |
|------------------|--------------|
| Alexander, David | Rocco, Harry |
| Carey, John      | Ryan, April  |
| Eaton, Yuli      |              |
  - b. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – The Spa Resort Casino:

|                |                   |
|----------------|-------------------|
| Errico, Gerald | Vitalich, Stephen |
|----------------|-------------------|
  - c. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:

|               |                |
|---------------|----------------|
| Curci, Mario  | Olsen, Susan   |
| Howland, Moy  | Rapp, Harold   |
| Lord, Jeffrey | Rico, Monica   |
| Loza, German  | Welty, Richard |
| Nelson, Erika |                |
  - d. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino:  
Dillon, Nicholas
  - e. Big Sandy Rancheria of Mono Indians of California – Mono Wind Casino:

|             |            |
|-------------|------------|
| Berry, Mark | Yang, Teng |
|-------------|------------|
  - f. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Konocti Vista Casino Resort:

|                   |                 |
|-------------------|-----------------|
| Calvillo, Octavio | Haugen, Jeffery |
|-------------------|-----------------|
  - g. Blue Lake Rancheria – Blue Lake Casino:

|              |              |
|--------------|--------------|
| Lewis, Mandi | Norton, Jack |
|--------------|--------------|

- h. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino:
  - Bruner, Robert
  - Carey, Matthew
  - Chalk, Ron
  - Crane, Myra
  - Espinoza, Veronica
  - Pilch, Paul
  - Rohauer, Jennifer
  - Starnes, Jennifer
  - Tuckson, Deana
  - Wargo, Richard
- i. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino:
  - Bahr, David
  - Fernandez, Victor
  - Gutierrez, Marian
  - King, William
  - Stalions, Richard
  - Stamps, Michael
  - Valencia, Steve
- j. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort & Casino:
  - Pratt, Gerald
- k. Chicken Ranch Rancheria of Me-Wuk Indians of California – Chicken Ranch Bingo & Casino:
  - Gonzales, Thomas
- l. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino:
  - Bankey, Roy
  - Ross, Richard
- m. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:
  - O'Connor, Everett
  - Piephoff, Tessie
  - Smith, Bryan
- n. Middletown Rancheria of Pomo Indians of California – Twin Pine Casino:
  - Crofoot, Donna
  - Denny, Christopher
- o. Mooretown Rancheria of Maidu Indians of California – Feather Falls Casino:
  - Flick, Noreen
- p. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
  - Anguiano, Mary
  - Candelario, Juan
  - Cirincione, Somthong
  - Crawford, Jennifer
  - Diaz, Danny
  - Guerrero, Richard
  - Jaurequi, Albert
  - Mata, Maximo
  - Mueller, Kandy
  - Quintanilla, Erika
  - Turnbull, John
- q. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa:
  - Andrews, George
  - Maniotis, Michelle
  - Olsen, Ronald
  - Strauss, Denise



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|-----|---|--------------------------|
| r.  | Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino:                                |                          |
|     | Rosas, Mary   |                          |
| s.  | Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort & Casino:      |                          |
|     | Cao, Hung   | Pino, Jacob              |
|     | Dien, Nam   | Redding, Daniel          |
|     | Long, Phouthone   |                          |
| t.  | Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino:           |                          |
|     | Bach, James   | Llanes, Rita             |
|     | Bounthong, Apivat   | McFarland, Elaine        |
|     | Herrera, Lorena   | Skinner, Chester         |
|     | Lechner, Lynnette   |                          |
| u.  | Quechan Tribe of the Fort Yuma Indian Reservation – Paradise Casino:                                  |                          |
|     | Dugan, Mary   | Rivas, Karlo             |
|     | Navarro, Frances  | Ward, Christine          |
| v.  | Redding Rancheria – Win-River Casino:   |                          |
|     | Christopherson, David   |                          |
| w.  | Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah’s Rincon Casino and Resort: |                          |
|     | Durand, Robert  | Spence, Daniel           |
|     | Nguyen, Nhatnam   | Villalobos, Juan         |
|     | Sebastian, John   | Watts, Andrew            |
|     | Smith, Thomas   |                          |
| x.  | Robinson Rancheria of Pomo Indians of California – Robinson Rancheria Casino & Bingo:                 |                          |
|     | Isom, Janie   | Roubidoux, Darlene       |
| y.  | Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:                  |                          |
|     | Brearley, David   | Pinkoski, Thaddeus       |
|     | Campbell-Ventosa, Valerie   | Pota, Adras              |
|     | Cucueco, Brenda   | Saelee, May              |
|     | Houangvilay, Phonsay  | Vongsouphanh, Chansamone |
|     | Hurn, Shelley   | Vongvilay, Saysettha     |
|     | Leonzon, Edward   | Yang, Raymond            |
| z.  | San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:                      |                          |
|     | Caputto, Mark   | Swain, Braden            |
| aa. | Santa Rosa Indian Community of the Santa Rosa Rancheria – The Palace Indian Gaming Center:            |                          |
|     | Falkenrath, Mark  |                          |

- bb. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez  
Reservation – Chumash Casino Resort:  
Acosta, Cindy Fritz, Patrick  
Carbaugh, Ronald Leontiouk, Iouri
- cc. Soboba Band of Luiseno Indians- Soboba Casino:  
Laughlin, John Steffes, Donald
- dd. Susanville Indian Rancheria – Diamond Mountain Casino:  
Cowley, Justin Miller, Myra  
Emerson, Rollie Shipes, Radley
- ee. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino  
& Resort:  
Rojas, Abby
- ff. Twenty-Nine Palms Band of Mission Indians of California – Trump 29  
Casino:  
Huse, Michael
- gg. United Auburn Indian Community of the Auburn Rancheria of California –  
Thunder Valley Casino:  
Cheung, Sandy Saenz, Joseph  
Easley, Ann Saeturn, Nai  
Hermosillo, Luis Smith, Jason  
Le, Kevin Smith, Robert  
Mayhew, Julio Truong, Andy  
Nye, Val Vang, Bao
- hh. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of  
the Viejas Reservation – Viejas Casino:  
Baxter, Llewellyn LeClair, Patrick  
Bergschneider, Ronald Tran, Binh  
Brown, Kathleen Vo, Phuc  
Gray, Kevin Wright, Keith  
Kenyon, Robert

2. Applications for Tribal-State Compact Key Employee Finding of Suitability-  
Renewal:

- a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation  
– Agua Caliente Casino:  
Alexander, Keely Masalta, Virgil  
Allison, Judy Morgan, Michael  
Armstrong, Larry Nystrom, Eric  
Castaneda, Guillermo Ortiz, Virginia  
Castro, Edwin Padgett, Arlin  
Cibotti, Johanna Page, Janet

|                     |                    |
|---------------------|--------------------|
| Cole, Seema         | Passmore, Stacie   |
| Collins, Debra      | Peoples, Frances   |
| Cooper, Dennis      | Pineda, Edrick     |
| Cortes, Maria       | Quinnett, Carolyn  |
| David, Mariecris    | Raysser, Frederick |
| Duke, William       | Roe, Charles       |
| Gabbard, Charles    | Romero, Debbie     |
| Harnischfeger, Carl | Sevigny, Renee     |
| Hart, Joy           | Spillman, Charles  |
| Hill, Johnie        | Wilkinson, Alva    |
| Hodge, Melinda      | Williams, Alva     |
| Lehman, Vera        | Williams, Stephen  |
| Lingana, Janet      | Velasco, Susan     |
| Marinello, Robert   |                    |

- b. Blue Lake Rancheria – Blue Lake Casino:
 

|               |                 |
|---------------|-----------------|
| Brown, Melvin | Darling, Denise |
|---------------|-----------------|
- c. Elk Valley Rancheria – Elk Valley Casino:
 

|               |               |
|---------------|---------------|
| Cooper, Randy | Pittser, Rick |
|---------------|---------------|
- d. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:
 

|                     |                  |
|---------------------|------------------|
| Bieker, Tami J.     | Murdock, Heather |
| Iliescu, Alexandru  | Norick, Larry    |
| Marquardsen, Jerald | Stickler, Ralph  |
| Mullarney, Alicia   | Weber, Renee     |
- e. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
 

|                    |                   |
|--------------------|-------------------|
| Fernandez, Michele | Pelletier, James  |
| Grant, Karen       | Quisquis, James   |
| McNeill, Celia     | Rosamillia, Wyval |
| Montesdeoca, Gina  |                   |

Acting Deputy Director Spittler presented the Consent Calendar to the Commission for its consideration of the applications for Tribal-State Compact Key Employee Finding of Suitability and renewal of Tribal-State Compact Key Employee Finding of Suitability. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the Consent Calendar.

#### **PUBLIC COMMENT:**

There were no comments from the public during this portion of the meeting.

**CLOSED SESSION:**

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e) that required discussions.

1. Commissioner Comments.

There were no comments from the Commissioners.

**ADJOURNMENT:**

Upon motion to adjourn the meeting by Commissioner Smith, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes; the meeting adjourned at 2:03p.m.